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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

External Affairs and Defence

Foreign Policy

Britain's views on major issues facing the international community, and on the role of the United Nations, were outlined by the Foreign and Commonwealth Secretary, Mr Douglas Hurd, in a speech to the United Nations General Assembly on 25 September.

Nationalism

Mr Hurd said that international events were heralding the 'collapse of the principle . . . that people can be forced to work together under a central rule in which they do not themselves participate and which has no respect for their rights'. Citing the collapse of the communist empire of the Soviet Union, he emphasised that it had been brought about not by outside criticism or competition but by the peoples whom the system had sought to imprison.

Mr Hurd cautioned that nationalism, although a legitimate expression of a people's aspirations, must respect the rights of individuals and minorities. 'Nationalism can be dangerous unless nation states work together for collective security and collective prosperity. Consent within nations, co-operation between nations, must be the pattern at which we aim.'

Yugoslavia

Commenting on the ethnic violence in Yugoslavia (see p 362), Mr Hurd urged the United Nations Security Council to add its authority to the efforts already made by the European Community and the Conference on Security and Co-operation in Europe to bring an end to the fighting.

Soviet Union

The international community, said Mr Hurd, should encourage the task of reform under way in the Soviet Union, providing food aid and technical assistance, and building up relationships with the constituent republics. He warned that the complete disintegration of the Soviet Union, resulting in the lack of coherent central authority, would endanger the progress made over arms control and disarmament (see pp 301-2).

He added: 'It would be a pity if the co-operation which we have recently come to expect from the Soviet Union on, for example, the Middle East [see p 302] or the problems of the Gulf, or the problems of Africa, were dissipated just when its usefulness is most apparent.'

South Africa

Mr Hurd said that the apartheid regime in South Africa, which had been based on 'suppression and discrimination', could neither survive nor return (see pp 179-82). The international community, particularly members of the Commonwealth, should now consider how to provide encouragement and practical help to the new South Africa.

United Nations

Iraq

Mr Hurd said that the elementary duty of the United Nations to protect its members by checking and reversing aggression had been clearly carried out in response to Iraq's invasion of Kuwait (see p 277, 1990).

Now that the aggression against Kuwait had been reversed, the United Nations was insisting that Iraq, a UN member state, forego its weapons of mass destruction and pay

compensation to its victims (see pp 138-41). He added that the United Nations was resolved to maintain sanctions until Iraq showed that it was playing a constructive part in regional stability and observing international law.

Arms Transfers

Mr Hurd said that the Gulf conflict demonstrated how peace could be undermined when a country acquired a military capability beyond the needs of self-defence. The United Nations had to prevent such a repetition of events. As a significant step towards transparency, Britain was proposing a universal register of arms transfers under UN auspices (see p 256), which would alert the international community to any attempt by a country to build up conventional weapons beyond a reasonable level.

The process of consultation, said Mr Hurd, was well underway, since the subject had been discussed at many international gatherings in recent months. Britain was encouraged by the willingness of arms exporters to exchange information about arms sales, which had hitherto been jealously guarded. 'After that we have to harmonise as best we can the criteria which each arms exporter applies when considering a sale.'

Mr Hurd said that the main powers and arms suppliers were beginning to reduce the level of their own armaments and were not simply asking others to do so. Although the search for a lower level of armaments would never be easy, a step-by-step approach was justified, provided that one step followed another. Britain, for instance, was adopting a policy of comprehensive safeguards regarding the export of significant new nuclear supplies. 'This means that such goods will not be exported to any country, other than the nuclear weapon states, where there are any unsafeguarded nuclear installations.'

Response to Natural Disasters

Mr Hurd said that there was a need to reinforce UN relief in coping with emergencies. Britain was proposing a new and more effective UN structure, under a single high-ranking official, which should start by preparing an inventory of human and material resources available from donors and non-governmental organisations.

The Environment

Turning to the environment, Mr Hurd said that the United Nations could do much more to protect the global environment. 'Agreement on how we conserve the resources of our planet, and use them for sustainable development, is equally vital for the world's future.'

Conclusion

Concluding, Mr Hurd said that there was now a thrust towards better and more representative government, improved co-operation between nations and greater concern for the individual and his or her rights. 'Consent in place of command, freer trade edging out protectionism, honest government replacing corruption, government based on elections rather than dictatorship, nations co-operating instead of seeking to dominate – these are the aims of our Charter and of the Universal Declaration of Human Rights. They are no longer out of reach. [The British Government] will work enthusiastically and energetically within the UN to bring them within the grasp of all.'

Nuclear Disarmament Proposals

Britain has welcomed the decisions of the United States and the Soviet Union to reduce unilaterally their nuclear weapons.

The US initiative was announced by the President, Mr George Bush, on 28 September, following consultations with members of the North Atlantic Treaty Organisation (NATO). The Soviet response was announced in a television address by the Soviet President, Mr Mikhail Gorbachev, on 5 October after talks with the Russian President, Mr Boris Yeltsin, and other republican leaders.

The Prime Minister's Statements

Referring to the United States' proposals on 28 September, the Prime Minister, Mr John

Major, said that they were far reaching. If the Soviet leaders responded 'with equal imagination', it would be 'a turning point in our history, bringing enormous benefits for mankind'.

Mr Major stressed that the 'enormous strides' in arms control were made possible by the policies of NATO, which were 'based on sound defence and solidarity'. Members of the Alliance would need NATO and the habit of consulting with themselves 'as much in the future as in the past if we are to capitalise on the hopeful trends now before us'. The aim was to keep only the minimum of nuclear weapons needed to make sure that Europe never again had to face large-scale war. This required adequate conventional and nuclear forces as 'the bedrock of our security'.

There were also other possibilities in arms control, Mr Major said. The Government's agenda included an arms transfer register (see p 259); a ban on chemical weapons; and a programme to ensure that weapons controlled or banned in Europe did not spread to countries elsewhere in the world.

In a statement in London on 6 October, Mr Major said that the response from Mr Gorbachev was very comprehensive. 'If it is what it seems to be, then there may be a unique opportunity to see a dramatic de-escalation in nuclear weapons.'

Referring to Britain's Trident deterrent, Mr Major said that it was 'the essential minimum defence we need in this country, and we must maintain Trident. The Soviet Union, despite these very welcome reductions, are still an immense nuclear . . . and . . . military power, and we need that essential minimum deterrent that Trident provides.'

President Bush's Initiative

Speaking on 28 September, President Bush said that the pace of history had created an unparalleled opportunity to change the nuclear posture of the United States and the Soviet Union. 'The prospect of a Soviet invasion into Western Europe, launched with little or no warning, is no longer a realistic threat. The Warsaw Pact has crumbled. In the Soviet Union, the advocates of democracy triumphed over a coup that would have restored the old system of repression.' The events during August (see pp 332-6) 'not only permit, but indeed demand swifter, bolder, action'.

Calling for the Soviet Union to match his initiatives, the President said that the United States would:

– destroy all its ground-launched, short-range nuclear weapons;

– withdraw all tactical nuclear weapons from US warships, submarines, and land-based naval aircraft, and destroy many of them; and

– cancel the replacement programme for the nuclear short-range attack missile used by strategic bombers.

On US strategic nuclear weapons, Mr Bush announced that he would:

– stand down immediately from their alert status all US strategic bombers;

– stand down from alert immediately all intercontinental ballistic missiles (ICBMs) scheduled for destruction under the strategic arms reduction talks (START) treaty (see pp 301-2);

– accelerate the planned elimination of these systems once the treaty had been ratified by the US Congress;

– cancel the development of a mobile ICBM; and

– streamline US command and control procedures into one Strategic Command, which would allow US strategic nuclear forces to be more effectively managed.

Other proposals included:

– an early US-Soviet agreement to eliminate all ICBMs carrying multiple warheads;

– joint steps to permit the limited deployment of non-nuclear defences to protect against ballistic missile attack, while not undermining the credibility of existing deterrent forces; and

– an intensification of efforts to curb nuclear and missile proliferation.

Mr Bush also suggested discussions with the Soviet Union on storage, movement, dismantling and destruction of nuclear warheads; improved security and safety arrangements for nuclear weapons; and more protection against their unauthorised or accidental use.

Soviet Proposals

President Gorbachev responded to the US initiative on 5 October. In his statement, he said that the Soviet Union would:

– eliminate all its nuclear artillery shells and nuclear warheads for tactical missiles;

– remove nuclear warheads from anti-aircraft missiles for storage in central bases;

– eliminate all its nuclear mines;

– remove tactical nuclear weapons from ships, submarines and naval aircraft; and

– eliminate some of these weapons.

In addition, the Soviet Union would:

– take Soviet heavy bombers off combat alert (storing their nuclear weapons at army warehouses);

– stop the development of a modified nuclear short-range missile for heavy bombers and of a small mobile ICBM;

– remove from alert status over 500 ICBMs (including 134 ICBMs with multiple individually targeted warheads);

– freeze the number of launchers for rail-deployed ICBMs with multiple warheads and halt the modernisation of these missiles; and

– remove from service three more nuclear-missile submarines.

Other unilateral commitments announced by Mr Gorbachev included:

– a reduction in the number of strategic nuclear weapons to 5,000, 1,000 below the limit of 6,000 set out in the START treaty; and

– a one-year moratorium on nuclear weapons testing.

The Soviet President put forward further ideas for new negotiations, including discussions on an additional 50 per cent reduction in strategic nuclear weapons. The Soviet Union would also be ready to discuss with the United States the latter's proposals on non-nuclear anti-missile defence systems. It also wanted to talk about the development of safe ways of storing and transporting nuclear warheads, and to reach an agreement with the United States on ending the production of fissionable material for nuclear weapons. Mr Gorbachev added that the Soviet armed forces would be reduced by 700,000 (from 3·7 million).

Human Rights Conference

The Conference on Security and Co-operation in Europe (CSCE) process was facing new challenges, including human rights abuses arising from the collapse of central government in certain countries, said the Foreign and Commonwealth Secretary, Mr Douglas Hurd, in a speech at the Moscow meeting on the Conference on the Human Dimension of the CSCE, which took place between 10 September and 4 October.

A Concluding Document of the conference was issued on 3 October.

Mr Hurd's Speech

Speaking to the 38 participating CSCE states on 10 September, Mr Hurd noted that the failure of the coup in the Soviet Union (see pp 332-6) showed how deeply the principles behind the CSCE process had taken root throughout Europe.

Progress in Human Rights in Europe

Mr Hurd pointed out that, when the Moscow conference had been proposed at the Vienna meeting in 1989 (see pp 43-9, 1989), many European countries had only paid lip service to the principles of democracy and respect for the rule of law set out in successive human rights declarations. Nobody should argue that human rights in Europe had now reached perfection, he said, or that the Moscow conference was unnecessary. He was still receiving letters from human rights organisations asking Britain to raise human rights cases with other governments, particularly the Soviet Union. The British Government, for example, was still looking for progress over exit visas for Soviet Jews and others wanting to leave the Soviet Union. Not only were hundreds of visa applications being refused, but the new Soviet emigration law contained very restrictive provisions on the rights of certain people to travel abroad.

At the same time, Mr Hurd acknowledged that the rights of the individual in the Soviet Union were now much greater than before, with the release of most prisoners of conscience, and the establishment of the legal basis for freedom of religion, freedom of the press and the right of association. The collapse of the coup had opened the way for even greater efforts. There had also been a transformation in Eastern Europe, where citizens could exercise the human rights which once seemed unobtainable. Britain welcomed Lithuania, Latvia and Estonia as full participants in the CSCE process.

The CSCE Process

These changes, the Foreign and Commonwealth Secretary continued, fundamentally altered the nature of the CSCE process. The first stage had begun when the participants had seen the need for new rules of behaviour – as set out in the Paris Charter, for example (see pp 417-19, 1990) – to which all European states were encouraged to adhere. Now they were at a point where virtually all CSCE governments accepted the Paris Charter principles and were working to achieve them.

The purpose of the CSCE process, Mr Hurd believed, 'must no longer be a target to which we aspire . . . [but] a benchmark of the expectations of normal people and normal governments . . . below which it would be unacceptable for human rights to fall in any part of Europe. The guiding principles must become so deeply engrained in our thought that they are met, not because of fear of sanctions, but because the people in every country will recoil from their abuse.'

Yugoslavia and the Soviet Union

Mr Hurd pointed out that the CSCE process had been based on the assumption that if central governments wanted to achieve acceptable human rights standards, they could do so. However, there were also situations in which central governments could no longer always impose their wishes.

The situation in Yugoslavia, where innocent people were being killed, their homes destroyed and their freedom to follow their own destiny frustrated (see pp 337-8 and 362), was clearly a human rights issue and one which the Moscow conference ought to address. The CSCE mechanism could play only a limited role when central government had broken down, and so its procedures had been supplemented by the kind of peacemaking activity which the European Community was undertaking. This was another reason why the value of the CSCE lay 'not in imposing rules but in inculcating a standard of behaviour which will be followed instinctively'.

In the Soviet Union, too, central government could not always impose human rights standards on the republics. As Mr Hurd emphasised, 'a desire for independence does not necessarily mean a desire for democracy and human rights'. It was important that all would-be independent states within the Soviet Union understood that the West's dealings with them would depend heavily on their respect for human rights and the rule of law. Signature of international statutes would not be enough in itself since these statutes had also to be applied.

Minorities' Rights

In this new situation, Mr Hurd continued, CSCE countries had to ensure that the rights of minorities were protected. It would be difficult to preserve peace and stability in Europe if people saw their kinsfolk being oppressed on the other side of an international border. Respect for borders and respect for the rights of minorities within borders both depended in practice on the other. Ways had to be found to turn the Paris Charter, which affirmed these rights, into reality.

Agenda

Mr Hurd said that the conference would be able to exchange ideas on practical steps to make it easier to implement commitments. It also had to look at ways in which the mechanism already established to allow for enquiry and debate on human rights performance could be extended in order to strengthen the protection of the individual. A new mandate for further meetings of the conference should be produced at the next Helsinki follow-up meeting, to be held in March 1992. The meetings were also an opportunity to meet non-governmental organisations (NGOs), and Mr Hurd hoped that arrangements would be made for all interested NGOs to take part.

Concluding Document

At the end of the conference a Concluding Document was issued, in which the participating countries stated their determination to achieve further progress in the implementation of all CSCE human rights principles and provisions. They also underlined that the equal rights of people and their right to self-determination had to be respected in accordance with the Helsinki Final Act and the Paris Charter. In spite of substantial progress, serious threats to, and violations of, CSCE principles and provisions continued to exist. In particular, the participating states deplored 'acts of discrimination, hostility and violence against persons or groups on national, ethnic or religious grounds'.

Human rights commitments undertaken were 'matters of direct and legitimate concern' to all participating states, and did not belong exclusively to the internal affairs of the state concerned.

The conference covered a wide range of other subjects, including:

– the protection of legitimately elected governments from forces seeking to take power;

– the commitment to the rule of law;

– the independence of the judiciary;

– the prohibition of excess force by the law;

– the control by the civil authorities of military and paramilitary forces, internal security and intelligence services;

– the freedom to travel; and

– the rights of migrant workers.

The conference also agreed to expand the provisions of the existing mechanism to include the use of experts to help resolve particular questions or problems relating to human rights and to promote dialogue and co-operation among interested parties.

Yugoslavia

Fighting was continuing in Yugoslavia between Croatia and federal and Serbian forces despite a series of ceasefire agreements and efforts by Britain and other European Community countries to bring the parties to negotiations.

British Statement

In a statement to the House of Commons on 14 October (*Hansard*, Vol 196, No 154, cols 40-1), Mr Douglas Hogg, a Minister of State at the Foreign & Commonwealth Office, said that Britain had been trying, with its European Community (EC) partners, to restore peace in Yugoslavia (see pp 337-8). British monitors were involved in EC efforts to stabilise the situation in Slovenia and Croatia and to negotiate local ceasefires. The Government hoped that this operation would soon be extended to Bosnia-Herzegovina and other areas. Mr Hogg noted the importance of the conference on Yugoslavia in The Hague, convened under the chairmanship of Lord Carrington. It was 'the only framework in which the various parties can discuss their differences', the minister said, and it was important that this conference should continue.

European Community Pressure

There had been repeated ceasefire violations on both sides, Mr Hogg pointed out, and political leaders there had to reassert control over the military and irregular forces. Therefore, the European Community had to apply all the political pressure it could to Yugoslavia. It was considering the suspension of the Community trade and co-operation agreement, an oil embargo and action at the United Nations. He added, however, that they needed to ensure that 'as far as possible' the measures were selective, 'hitting the guilty rather than the innocent'.

Political Solution

The only solution that could last had to be a political one, 'freely reached among the Yugoslavs themselves. There is no military solution to this problem, let alone one imposed from outside.' Peacekeeping, Mr Hogg said, was not an option because there was no peace to keep. In common with its other European partners, Britain took the view that there could not be a peacekeeping role 'until there is a durable and effective ceasefire and until all the parties agree to have foreign forces

deployed on their soil'. Furthermore, it was 'vital that a peacekeeping operation should in itself contribute to a solution of the underlying political problems'.

Independence

Mr Hogg said that Yugoslavia could not be held together by force nor could the old state be created. The republics that wanted to achieve independence should have it, and the question was when and how. On the other hand, he continued, the independence of one or more republics should not be at the expense of others. Therefore, it was right for Britain to work for an overall settlement. 'Without one', Mr Hogg concluded, 'there can be no effective guarantees for the rights of minorities; unless minority rights are protected the region will remain unstable.'

United Nations

A special foreign ministers' meeting of the United Nations (UN) Security Council on 25 September called on all states to implement immediately a 'general and complete embargo on all deliveries of weapons and military equipment to Yugoslavia'. The resolution, sponsored by Austria, Belgium, Britain, France and the Soviet Union, appealed to all parties to settle their dispute peacefully and through negotiations at the EC conference on Yugoslavia. The UN Secretary-General was also invited to offer his assistance without delay in consultation with Yugoslavia.

Following this meeting, a UN special envoy (Mr Cyrus Vance, a former US Secretary of State) was appointed. On 12 and 13 October, Mr Vance had discussions in Yugoslavia and The Hague on the causes and consequences of the Yugoslav crisis.

Changes in the Federal Presidency

On 3 October the republics of Serbia and Montenegro announced that decisions by the Federal Presidency would be taken on the basis solely of the votes of four of the eight members. Noting on 5 October that four other members of the Federal Presidency had already condemned this move, the European Community condemned 'this seizure of the Presidency' as 'illegal' under the country's constitution and the Paris Charter (see pp 417-19, 1990). Earlier, on 4 October, a Foreign & Commonwealth Office spokesman said that the usurpation of power by Serbia and its allies would not help to solve the country's problems.

Hong Kong Elections

The elections in Hong Kong on 12 and 15 September opened 'a new and encouraging chapter' in the territory's history, said the Foreign and Commonwealth Secretary, Mr Douglas Hurd, in a statement on 16 September.

The Elections

The elections were to Hong Kong's 60-seat Legislative Council (see pp 109-10, 1990).

Eighteen of the 60 seats were directly elected in nine two-member constituencies. The United Democrats of Hong Kong (UDHK) won 12 seats and other liberals four.

Another 21 members came from 'functional constituencies' representing the main professional and occupational sectors. Twelve of these were returned unopposed. The UDHK obtained two seats and other liberals four, most other successful candidates being independents.

The remaining Council seats were filled by 18 members appointed by the Hong Kong Governor and three *ex-officio* members who are senior civil servants.

Mr Hurd's Statement

Mr Hurd said that the leader of the UDHK, which had called for faster democracy, accepted the Joint Declaration (see pp 368-74, 1984), as did the governments of Britain, Hong Kong and the People's Republic of China, and intended to work within it. Mr Hurd hoped that the Chinese Government, having acquiesced 'in this step forward into direct democracy', would come to terms with the outcome.

It was in the interests of all concerned in Hong Kong and China that 'the closer co-operation provided for in the Joint Declaration during this coming period becomes a reality'. There was time before the next

elections in 1995 to work out how best these parties should fit into the pattern of co-operation. In this Britain's aims were:

– steady progress towards a greater degree of direct election in Hong Kong; and

– sustainable progress without interruption after the transfer of sovereignty in 1997.

British Aid and the Private Sector

In a speech to the Institute of Economic Affairs on 1 October, the Minister for Overseas Development, Mrs Lynda Chalker, said that it was necessary in lower-income countries to harness the private sector to promote growth.

Intervention

In the past, Mrs Chalker said, it was believed that growth, including that in the private sector, would develop best through state intervention. Although this produced some initial success, it was soon realised that intervention policies led to, among other things, excessive public expenditure, import and foreign exchange controls, trade distortions and export disincentives, inefficient state enterprises, and vested interests and monopolies.

Market Policies

In the early 1980s, Mrs Chalker continued, a new consensus had emerged about the complementary roles of governments and markets. The proper role of government was 'to *complement* the private sector and create the conditions in which it can flourish'. British aid was assisting reform of the business environment and activities designed to compensate for market failures.

Business Environment

To be sustainable, Mrs Chalker said, development had to be market based. Growth of the private sector, good government and economic reform were 'mutually dependent and mutually reinforcing'. That was why Britain and other aid donors were now using their aid to back reforms. A business environment was needed which would:

– free the private sector from unnecessary legal restraints, property rights, trade barriers and regulations;

– welcome foreign investment and assist investors with information;

– curb bureaucracy; and

– pay attention to good government.

Donors also wanted to open business to competition and remove unnecessary public sector monopolies, and all successful market economies recognised that some regulation was also needed to create and preserve the competitive framework.

Donors should encourage these trends, Mrs Chalker continued. Britain was encouraging the growth of financial institutions by:

– the provision of consultants in Tanzania to study aspects of grain marketing and the operation of the commercial banks;

– assistance to the financial sector in Ghana; and

– collaboration with the World Bank in a study of Uganda's private sector.

Market Failures

Mrs Chalker pointed out that a degree of collective intervention was required as markets, left to themselves, were unlikely to provide as much education, training, health and population services, and transport that society needed. The Overseas Development Administration (ODA) was a consistent contributor to the development, rehabilitation and operation of transport systems and power and water supplies. It also contributed to all aspects of human resource development, including health, population and education. In 1989, Britain had spent £185 million on these, with a further £110 million on training and student places. These efforts would continue.

Commonwealth Development Corporation

Referring to the Commonwealth Development Corporation (CDC), Mrs Chalker said that its role was to invest directly in developing country businesses, while acting

autonomously within policies and objectives agreed with the ODA. It also operated by business criteria.

CDC activities continued to be important because private investors often had less confidence than the facts merited in the future of developing countries. The purpose of the CDC, therefore, was to demonstrate that profitable investment was possible by promoting successful business ventures, notably in commercial agriculture and processing. It also provided management expertise. The CDC was currently investing about £150 million in 49 countries, with two-thirds of new investment in 1990 being in the private sector.

Aid to Small-scale Enterprise

Another failure of the market concerned the promotion of small-scale enterprises. This sector faced particular difficulties, including lack of access to institutional finance, the inability of their technology to change, and poor information on business opportunities. Their markets were also local. However, they were crucial to creating jobs.

The ODA had been trying to relax the constraints on growth for household and other small-scale enterprises through aid funds to help private financial institutions to lend them money. New funds included:

– the grant to the Bangladesh Rural Advancement Committee;

– the loan guarantee scheme with Barclays Bank in Kenya; and

– the Small Enterprise Fund, created by the ODA in 1990, to support pilot-scale initiatives from non-governmental organisations and business associations, such as the Jua Kali Association in Kenya and the Indigenous Business Development Centre in Zimbabwe.

Multilateral Aid

Britain also contributed to multilateral agencies, many of which were reinforcing their support for the private sector. The World Bank Group was playing a particularly important role, Mrs Chalker said. The World Bank was taking the lead in policy reform and private sector development in many countries, while the International Finance Corporation (IFC) was making risk-bearing investments in private enterprises in developing countries. Britain supported the increase of $1,000 million in the IFC's capital, which would enable expansion to continue through most of the 1990s. Britain also favoured market-based approaches to private sector development in other important multilateral agencies, including the European Community, the regional development banks and the United Nations Investment Development Association.

Shorter Notes

WESTERN HOSTAGES IN LEBANON

Mr Jack Mann, an elderly British citizen held hostage in Lebanon by Islamic fundamentalists since 1989, was freed from captivity on 24 September.

Commenting on Mr Mann's release, the Prime Minister, Mr John Major, said: '. . . I would like to express my thanks to the Secretary General of the United Nations, the Syrian Government, the Iranian Government, the Israeli Government and all those other people who have played a role over many months in ensuring this very satisfactory outcome'.

Noting the progress over the hostage issue since the release of Mr John McCarthy and a number of prisoners in Israel (see pp 303-4), Mr Major emphasised that Britain would continue to try and obtain the general release of all those detained, particularly the one remaining British citizen, Mr Terry Waite.

Source: Interview given by the Prime Minister, 24.9.91.

AID TO INDIA

Britain is to increase its bilateral aid to India by £30 million. A further grant of more than £16 million to supply piped drinking water to over 200 Indian communities has also been announced.

The increased aid, announced by Britain following a meeting of the World Bank in Paris on 19 September, will be a special grant designed to support India's economic reform programme. This will be in addition to Britain's regular bilateral aid programme, which will be around £90 million in 1991.

The drinking water project was announced by the Minister for Overseas Development, Mrs Lynda Chalker, on 30 September. The money will be used:

– to finance four piped water supply schemes covering 210 villages and a small town in Maharashtra State in western India;

– to provide villages with health education and hygiene; and

– to allow them to participate more in operating the local water supply.

Sources: Overseas Development Administration news releases, 19.9.91 and 30.9.91.

Economic and Scientific Affairs

National Accounts 1990

Britain's gross domestic product grew by 1 per cent in 1990, following a 2 per cent increase in 1989. The output of service industries rose by 1·7 per cent and that of the energy and water industries by 0·5 per cent, while manufacturing output declined by 0·5 per cent.

The National Accounts 'Blue Book',[1] published on 12 September, gives revised figures for national income, expenditure and output for each of the 11 years from 1980 to 1990, with summary tables going back to 1969.

Gross Domestic Product

Gross domestic product (GDP) at factor cost,[2] after allowing for inflation, increased by 1 per cent between 1989 and 1990 (see Table 1).

The average measure of GDP at current market prices (the prices that consumers pay for goods and services) – money GDP – rose by 7·7 per cent between 1989 and 1990.

GDP and gross national product (GNP – equal to GDP plus net property income from abroad) in 1990 are analysed according to category of expenditure and by market prices and factor cost in Table 2.[1]

Output by Industry

Output of agriculture, forestry and fishing grew by a little over 3 per cent in 1990. Energy and water industries' output fell by just under 1 per cent, after the previous year's decline of nearly 10 per cent (see Table 3). Manufacturing output declined by 0·5 per cent following a rise of over 4 per cent in 1989. Small increases were recorded in man-made fibres; food, drink and tobacco; mechanical engineering; paper, printing and publishing; and transport equipment other than motor vehicles and parts. Output fell in a number of manufacturing sectors, including: textiles; motor vehicles and parts; metals and other minerals; and clothing, footwear and leather.

[1] *United Kingdom National Accounts 1991 Edition.* Central Statistical Office. HMSO, £13·95. ISBN 0 11 620452 4.

[2] The total net value received by producers for goods and services produced, after deducting indirect taxes and adding subsidies. (Here GDP is a simple average of the three estimates based on income, expenditure and output data.)

[1] The community charge, which has replaced domestic rates in England, Wales and Scotland, is not treated as part of consumers' expenditure. Thus estimates of consumer spending, GDP and GNP aggregates at current market prices from 1989 are lower than they would have been had the community charge not been introduced.

Table 1

Average Measures of Gross Domestic Product

	1980	1984	1989	1990
At constant factor cost (1985 = 100)	90·7	96·3	115·3	116·2
At constant market prices (1985 = 100)	90·8	96·5	116·1	117·1
At current factor cost (£000 million)	201·0	280·1	436·2	477·7
At current market prices (£000 million)	231·8	325·1	511·4	550·6

Table 2

Analyses by Expenditure of Gross Domestic Product and Gross National Product in 1990

	£ million
At market prices	
Consumers' expenditure	349,421
Central government final consumption	66,858
Local authorities' final consumption	42,637
Gross domestic fixed capital formation	105,195
Value of physical increase in stocks and work in progress	–718
Total domestic expenditure	563,393
Exports of goods and services	134,108
Total final expenditure	697,501
Less imports of goods and services[a]	–147,582
GDP (average measure)[b]	550,597
Net property income from abroad	4,029
GNP (average measure)[b]	554,626
At factor cost	
Adjustment of GDP at market prices to factor cost[c]	72,850
GDP (average measure)	477,747
GNP (average measure)	481,776

[a] Excluding taxes on expenditure levied on imports.

[b] Including taxes on expenditure levied on imports.

[c] Taxes on expenditure less subsidies.

Output in construction and service industries rose by 1·1 per cent and 1·7 per cent respectively (compared with rises of 6·1 and 3 per cent in 1989). Within services, above average increases were recorded by communication (4·5 per cent) and financial and business services and leasing (3·6 per cent).

Personal Income, Expenditure and Saving

Total personal income rose by 12 per cent in 1990 (see Table 4). Income from both employment and self-employment increased by 12 per cent. Prices as measured by the consumers' expenditure deflator (which measures the difference between current and constant prices) rose by nearly 6 per cent. Real personal disposable income grew by over 3 per cent.

As in 1989, consumers' expenditure grew by less than total personal disposable income (7 per cent compared with 9·5 per cent) and so the saving ratio (saving as a percentage of personal disposable income) increased from 7 per cent in 1989 to 9 per cent in 1990.

Consumers' expenditure in volume terms rose by 1 per cent between 1989 and 1990. Spending on services grew by more than 3 per cent. However, spending on durable goods decreased by 5 per cent, with expenditure on vehicles down by 8 per cent, while spending on non-durable goods remained broadly unchanged from the previous year.

Companies

The company sector as a whole, including financial institutions, registered a fall in gross trading profits of over 4 per cent (net of stock appreciation) between 1989 and 1990. However, gross trading profits (net of stock appreciation) of North Sea oil companies rose by just over 6 per cent on 1989 figures. Profits of other industrial and commercial

Table 3

Index Numbers of Output (at Constant Factor Cost)

1985 = 100

	1984	1988	1989	1990
Agriculture, forestry and fishing	104·7	97·4	101·2	104·4
Energy and water supply	88·8	99·3	89·6	88·8
Manufacturing	97·4	114·1	118·9	118·3
Construction	99·6	122·9	130·4	131·8
Services	97·0	114·0	117·4	119·4
GDP (output measure)	96·7	112·7	115·3	116·4

Table 4

Personal Income and Expenditure

£ million

	1988	1989	1990
Income from employment	255,357	283,585	316,408
Income from self-employment[a]	44,835	51,605	57,661
Rent, dividends and net interest	42,010	46,466	54,381
Current grants from general government (including social security benefits)	54,087	56,793	61,983
Other[b]	2,439	2,591	2,656
Total personal income[a]	**398,728**	**441,040**	**493,089**
Deductions from income:			
British taxes on income	48,290	53,517	62,120
Social security contributions	32,108	33,025	34,775
Current transfers	2,347	2,441	2,569
Community charge	—	619	8,811
Personal disposable income	**315,983**	**351,438**	**384,814**
of which:			
Consumers' expenditure	298,796	326,489	349,421
Saving	17,187	24,949	35,393

[a] Before providing for depreciation and stock appreciation.

[b] Other current transfers and the imputed charge for capital consumption of private non-profit-making bodies.

companies fell by just over 1 per cent. In 1990 industrial and commercial companies had a financial deficit (broadly, fixed investment and increases in stock values minus undistributed income) of £25,400 million in 1990 compared with one of £23,400 million in 1989.

Central Government

The central government surplus on current account in 1990 was just under £9,100 million compared with £13,600 million in the previous year.

Total current receipts of central government increased by 12 per cent between 1989 and 1990. Receipts from taxes on income rose by about 10 per cent; those from taxes on expenditure by 21 per cent (mainly reflecting the introduction of the national non-domestic rate from April 1990); and those on social security contributions by over 5 per cent.

Central government current expenditure grew by about 16 per cent between 1989 and 1990. Spending on health increased by about 10 per cent and that on defence by about 8 per cent. Total expenditure on goods and services increased by around 10 per cent and current grants to local authorities were up by 58 per cent due to the introduction of the national non-domestic rate.

Central government capital expenditure increased from £10,400 million in 1989 to £16,800 million in 1990. The Government had a financial deficit of almost £3,700 million in 1990 following a surplus of £7,400 million a year earlier.

Fixed Investment and Stockbuilding

Gross domestic fixed capital formation (fixed investment), at constant 1985 prices, fell by 2·4 per cent between 1989 and 1990. Fixed investment fell for most types of asset, apart from new buildings and works other than dwellings, which grew by 8 per cent – road vehicles, railway rolling stock, ships and aircraft were down by almost 9 per cent; acquisitions of plant and machinery were down by 2·4 per cent; and investment in dwellings by over 14 per cent. Investment in other buildings rose by 8 per cent. Overall, investment by general government grew by 17 per cent, but investment by the private sector and public corporations declined by 5 per cent.

By industry, there was a fall of nearly 2 per cent for manufacturing, 6 per cent for agriculture, forestry and fishing and a rise of 10 per cent for energy (except mineral oil and natural gas) and water supply. A rise of 24 per cent was recorded in the mineral oil and natural gas extraction industries.

Measured in 1985 prices, the level of stocks and work in progress fell by £705 million in 1990 compared with an increase of nearly £2,700 million in 1989. Manufacturing industry recorded the biggest decline (nearly £1,900 million). There were increases of nearly £800 million in retailing and repairing industries, and almost £500 million in construction.

Balance of Payments 1990

The deficit on Britain's balance of payments current account fell from £20,400 million in 1989 to £14,400 million in 1990. There was a substantial reduction in the visible trade deficit and a slight rise in the surplus on invisible transactions in 1990.

Revised figures for Britain's balance of payments for the last 11 years are contained in the latest Balance of Payments 'Pink Book', published on 11 September.[1] Transactions are classified into two main groups: current account transactions, covering exports and imports of goods and services, investment income and most transfers; and transactions in British external assets and liabilities, covering, among other things, inward and outward investment, borrowing and lending overseas by other British residents and changes in the official reserves. Supplementary information on the overseas earnings of City of London institutions was provided in a British Invisibles news release of the same date. This article briefly describes the major changes in the balance of payments in 1990.

Current Account

The deficit on the current account in 1990 was £14,380 million compared with £20,404 million in 1989 (see Table 1). The deficit on visible trade of £18,675 million more than offset the surplus on invisible trade of £4,295 million. Between 1989 and 1990 visible exports and imports rose in value by 10·4 per cent and 3·2 per cent respectively (see Table 2).

Visible Trade

Within the visible trade deficit (see Table 3) there was a surplus on oil of £1,500 million (compared with £1,300 million in 1989); a

[1] *United Kingdom Balance of Payments 1991 Edition.* Central Statistical Office. HMSO, £11·75. ISBN 0 11 620451 6.

Table 1
Summary of Balance of Payments

£ million

	1980	1985	1988	1989	1990
Visible trade balance	1,357	–3,345	–21,624	–24,598	–18,675
Invisible trade balance	1,487	6,222	6,103	4,195	4,295
of which:					
Services	3,653	6,687	4,574	4,685	5,201
Interest, profits and dividends	–182	2,646	5,047	4,088	4,029
Transfers	–1,984	–3,111	–3,518	–4,578	–4,935
Current balance	**2,843**	**2,878**	**–15,520**	**–20,404**	**–14,380**
Transactions in assets and liabilities					
British external assets	–43,439	–50,501	–55,426	–83,199	–72,301
British external liabilities	39,499	46,419	65,071	96,115	84,381
Allocation of Special Drawing Rights	180	–	–	–	–
Balancing item	917	1,204	5,875	7,488	2,299

Note: Differences between totals and the sums of their component parts are due to rounding.

Table 2
Current Account

£ million

	1980	1985	1988	1989	1990
Exports (free on board)	47,149	77,991	80,346	92,389	102,038
Imports (free on board)	45,792	81,336	101,970	116,987	120,713
Visible trade balance	**1,357**	**–3,345**	**–21,624**	**–24,598**	**–18,675**
Invisible trade balance	1,487	6,222	6,103	4,195	4,295
Services					
General government	–850	–1,298	–1,800	–2,249	–2,321
Private sector and public corporations					
Sea transport	50	–297	–40	133	256
Civil aviation	347	201	–905	–540	–316
Travel	223	571	–2,032	–2,412	–2,132
Financial services	1,651	4,207	4,962	4,754	4,380
Other services	2,232	3,303	4,389	4,999	5,334
Interest, profits and dividends					
General government	52	–744	–859	–552	–591
Private sector and public corporations	–235	3,387	5,906	4,639	4,619
Transfers					
General government	–1,780	–3,427	–3,248	–4,278	–4,635
Private sector	–204	316	–270	–300	–300
Current balance	**2,843**	**2,878**	**–15,520**	**–20,404**	**–14,380**

deficit of £11,400 million in semi-finished and finished manufactured goods (£17,200 million in 1989); and a deficit of £8,800 million in other goods, such as food and raw materials (£8,700 million in 1989). There were significant declines in 1990 in the deficits on both finished manufactured goods and semi-manufactures, with exports of the two categories each rising substantially more than imports.

Semi-manufactures and finished manufactures made up 81 per cent of exports and 78 per cent of imports; in 1980 they had accounted for 74 per cent of exports and 64 per cent of imports. Oil accounted for more than 7 per cent of exports in 1990 and for just under 5 per cent of imports.

In 1990 Britain had deficits on trade with the rest of the European Community, with other Western European countries, with North America and with other developed countries and a surplus on trade with the oil-exporting countries (see Table 4). The European Community accounted for 53 per cent of both Britain's exports and imports. Other Western European countries took 9 per cent of exports and supplied 12 per cent of imports while North America accounted for 15 per cent of exports and 13 per cent of imports.

As a proportion of Britain's trade, the European Community had, since 1980, become relatively more important for both exports and imports while the oil-exporting countries had become relatively less important for both. The deficit with the European Community fell by 36 per cent and that with the oil-exporting countries by 23 per cent. However, the deficit with North America increased fourfold to over £1,400 million.

Invisible Trade

Credits on invisible trade in 1990 amounted to £117,350 million and debits to £113,055 million, giving a surplus of £4,295 million (see Table 2). The surplus in 1989 had been £4,195 million. There was a surplus of £5,201 million on services in 1990 compared with one of £4,685 million in the previous year.

For services, the surplus of the private sector and public corporations was more than three times greater than the deficit of general

Table 3
Overseas Trade by Commodity
Balance of payments basis

£ million

	1980	1985	1988	1989	1990
Exports					
Food, beverages and tobacco	3,233	4,937	5,450	6,466	6,990
Basic materials	1,495	2,199	2,124	2,349	2,248
Oil	6,118	16,115	5,971	5,873	7,451
Other mineral fuels and lubricants	296	662	242	256	324
Semi-manufactured goods	13,867	19,921	23,984	26,763	28,875
Finished manufactured goods	21,010	32,319	40,620	48,378	53,879
Others	1,130	1,838	1,955	2,304	2,271
Total	**47,149**	**77,991**	**80,346**	**92,389**	**102,038**
Imports					
Food, beverages and tobacco	5,315	8,660	9,992	10,769	11,610
Basic materials	3,505	5,041	5,470	5,936	5,528
Oil	5,810	8,014	3,221	4,616	5,933
Other mineral fuels and lubricants	742	2,257	1,470	1,482	1,455
Semi-manufactured goods	12,532	20,338	28,043	31,050	31,565
Finished manufactured goods	16,917	35,667	51,998	61,284	62,629
Others	771	1,359	1,776	1,850	1,993
Total	**45,792**	**81,336**	**101,970**	**116,987**	**120,713**
Balances					
Food, beverages and tobacco	–2,282	–3,723	–4,542	–4,303	–4,620
Basic materials	–2,010	–2,842	–3,346	–3,587	–3,280
Oil	308	8,101	2,750	1,257	1,518
Other mineral fuels and lubricants	–446	–1,595	–1,228	–1,226	–1,131
Semi-manufactured goods	1,335	–417	–4,059	–4,287	–2,690
Finished manufactured goods	4,093	–3,348	–11,378	–12,906	–8,750
Others	359	479	179	454	278
Visible trade balance	**1,357**	**–3,345**	**–21,624**	**–24,598**	**–18,675**

government. The surplus on sea transport almost doubled from £133 million in 1989 to £256 million in 1990. The civil aviation deficit fell for the second year in succession, from £540 million to £316 million in 1990, and the deficit on travel decreased slightly, from £2,412 million to £2,132 million. The surplus on financial and other services was £9,714 million compared with £9,753 million a year earlier.

On interest, profits and dividends, the customary surplus of the private sector and public corporations fell slightly, from £4,639 million in 1989 to £4,619 million in 1990. This outweighed the deficit incurred by general government, at £591 million in 1990, to give an overall surplus of £4,029 million – little change on the 1989 figure of £4,088 million.

Net earnings of British financial institutions ('the City') rose from £12,824 million in 1989 to £14,057 million in 1990, an increase of 10 per cent. Over half the figure is attributable to the banking sector, which had net receipts of £7,227 million. The record overseas earnings were achieved despite a drop in net receipts by insurance companies of almost £900 million. Underwriting receipts suffered from low premium rates in 1990, coinciding with high claims pay-outs. The Baltic Exchange was notable among financial institutions in showing increased export earnings of £665 million in 1990, a rise of over 50 per cent compared with 1989. Its

Table 4
Overseas Trade by Area
Balance of payments basis

£ million

	1980	1985	1988	1989	1990
Exports					
European Community	21,467	37,898	40,792	47,251	54,423
Other Western Europe	5,581	7,548	7,225	7,910	9,077
North America	5,279	13,295	12,585	14,338	14,797
Other developed countries	2,656	3,800	3,430	4,368	4,697
Oil-exporting countries	4,816	5,943	4,908	5,701	5,419
Rest of the world	7,348	9,504	11,406	12,820	13,625
Total	**47,149**	**77,991**	**80,346**	**92,389**	**102,038**
Imports					
European Community	20,709	40,456	54,670	62,671	64,317
Other Western Europe	5,805	11,616	13,274	14,983	15,013
North America	6,819	11,073	12,390	14,615	16,207
Other developed countries	2,844	6,013	7,246	7,973	7,808
Oil-exporting countries	3,885	2,644	1,841	1,966	2,555
Rest of the world	5,730	9,534	12,550	14,779	14,813
Total	**45,792**	**81,336**	**101,970**	**116,987**	**120,713**
Balances					
European Community	758	−2,556	−13,878	−15,420	−9,894
Other Western Europe	−224	−4,068	−6,049	−7,073	−5,936
North America	−1,540	2,222	195	−277	−1,410
Other developed countries	−188	−2,213	−3,816	−3,605	−3,111
Oil-exporting countries	931	3,299	3,067	3,735	2,864
Rest of the world	1,618	−30	−1,144	−1,959	−1,188
Visible trade balance	**1,357**	**−3,345**	**−21,624**	**−24,598**	**−18,675**

overseas earnings have doubled in the last two years and tripled in the last four.

The deficit on transfers rose from £4,578 million in 1989 to £4,935 million in 1990. With the deficit on private transfers unchanged at £300 million, the increase in the overall deficit was wholly attributable to the rise in the deficit on general government transfers. On this account, debits to European Community institutions increased by £226 million – a smaller rise than in 1989.

Transactions in External Assets and Liabilities

Transactions in Britain's external assets and liabilities are shown in Table 5. Assets rose by over £72,000 million in 1990, having increased by some £83,000 million in 1989. The rise in external liabilities was more than £84,000 million in 1990 compared with around £96,000 million a year earlier. Overall, net identified transactions in Britain's external assets and liabilities showed a net inflow of £12,100 million in 1990 (£12,900 million in 1989).

On the assets side, growth of direct investment overseas by British residents declined from £21,500 million in 1989 to £11,700 million a year later. The large increase in British portfolio investment overseas recorded in 1989 was more than halved – from some £31,300 million in 1989 to under £12,600 million in 1990. However, lending to overseas residents by British banks continued to increase, by £37,200 million in 1990. On the liabilities side, direct investment in Britain by overseas residents rose by £19,000 million, probably reflecting developments in anticipation of the single European market in 1992. Overseas residents' portfolio invest-

Table 5
Summary of Transactions in Assets[a] and Liabilities[b]

£ million

	1980	1985	1988	1989	1990
Overseas direct investment in Britain	4,355	3,865	10,236	17,145	18,997
Overseas portfolio investment in Britain	1,431	9,671	14,387	13,239	5,070
British direct investment overseas	–4,867	–8,456	–20,880	–21,521	–11,702
British portfolio investment overseas	–3,310	–16,755	–8,600	–31,283	–12,587
Borrowing from overseas	34,307	32,857	39,618	63,546	59,617
Deposits and lending overseas	–35,325	–22,801	–22,294	–34,894	–46,708
Official reserves[a]	–291	–1,758	–2,761	5,440	–77
Other external liabilities of general government	–594	24	831	2,186	697
Other external assets of central government	351	–730	–891	–942	–1,227
Total	**–3,940**	**–4,082**	**9,645**	**12,916**	**12,081**
Allocation of Special Drawing Rights	180	–	–	–	–

[a] Increase –/decrease +.

[b] Increase +/decrease –.

Note: Differences between totals and the sums of their component parts are due to rounding.

ment in Britain increased by £5,100 million in 1990, well below the level for the previous five years. The official reserves rose by £77 million in 1990 after a fall of £5,440 million in 1989.

At the end of 1990, Britain had identified external assets of £913,000 million and identified external liabilities of £884,000 million, giving a surplus of assets over liabilities of £30,000 million, compared with £84,000 million in 1989.[1] The fall in the surplus reflects significant reductions in securities' prices during 1990. Direct investment holdings overseas amounted to £127,000 million and portfolio investment holdings to £186,000 million, compared with £129,000 million and £221,000 million respectively a year earlier. Overseas residents' holdings in Britain of direct investments were valued at £107,000 million, compared with £93,000 million in the previous year. Portfolio investment in Britain by overseas residents declined from £110,000 million to £103,000 million between 1989 and 1990.

[1] Figures in this section are not directly comparable with figures mentioned earlier in the text and in Table 5 because of differences in coverage and valuation.

Forestry

The Government has issued a statement of forestry policy in Great Britain. It emphasises social and environmental, as well as economic, benefits.

A Community Woodland supplement is to be paid under the Woodland Grant Scheme.

The Merseyside community forest has been launched.

Forestry Policy

The two main aims of government forestry policy, says the statement,[1] are:

1 sustainable management of Great Britain's existing woods and forests; and

2 steady expansion of tree cover to increase the many, diverse benefits that forests provide.

Management grants (see p 215), to be introduced in April 1992, are designed to cater for the differing needs of small woodlands, broadleaved woodlands, native pinewoods and woodlands of special environmental value. Neglected woodlands will be brought under management plans.

[1] *Forestry Policy for Great Britain.* Available free from the Forestry Commission, 231 Corstorphine Road, Edinburgh EH12 7AT.

Management of Woodlands

In general, private owners will be encouraged to open their woodlands to visitors. Arrangements have been introduced to secure continuing public access, where appropriate, to Forestry Commission woodlands which pass to private ownership.

Policies to prevent woodland loss, such as statutory felling controls, a presumption against the conversion of woodland to agriculture or other uses, and prosecution for illegal felling, have met with considerable success, says the statement.

Expanding the Forest Area

Forestry, the statement continues, represents a promising alternative use of agricultural land. There is scope, it says, for new planting to take place in the foreseeable future at 33,000 hectares[1] a year. The Government expects the private sector to make the major contribution to new planting.

The Woodland Grant Scheme (see pp 214-16 and 314) is the main system of financial support for the planting and restocking of forests, and for managing existing woodland areas. Grants aim to encourage an increasing amount of broadleaved and mixed planting on suitable sites, a shift to planting on land of better quality, the planting of small woodlands, and the maintenance and extension of semi-natural woodlands, including native pinewoods in the Highlands. It is accepted that conifers will continue to comprise a high proportion of planting because they are particularly suited to the British climate, are in demand by the wood-processing industry and can be a landscape asset when carefully handled. 'The days of insensitive monoculture', the statement says, 'are over.'

Preferred Planting Areas

Large-scale planting of predominantly coniferous species in the English uplands will continue to be discouraged. There is still, however, a significant proportion of land in the Scottish and Welsh uplands where such planting will be of environmental benefit when carried out in accordance with the scheme's standards.

To enhance amenity and wildlife values, the Government will continue to encourage more planting on lowland areas which have been intensively cultivated, through Better Land Supplements available under the Woodland Grant Scheme. It is reviewing the three-year experimental Farm Woodland Scheme (see p 115, 1990).

The Environment

The area of broadleaves planted each year has risen substantially, the statement says. Management grants will also ensure that account is taken of silvicultural and environmental needs during the establishment phase and, if necessary, beyond. An environmental assessment system, coupled with stricter standards under the Woodland Grant Scheme, will ensure that woodlands are properly designed and sited.

Should planting and felling proposals give rise to disagreement, the statement continues, they are often substantially modified during consultation. The Commission's regional advisory committees, which have a conciliation role in problem cases, each have three additional members representing environmental interests under the terms of the Forestry Act 1991 (see p 292).

Research priority will be given to the possible effects of atmospheric pollution on tree growth and, through tree planting, on water acidification. Significant progress has been achieved in arriving at a fuller understanding of the complex interactions involved.

Secretary of State's View

Commenting on the statement on 18 September, the Secretary of State for Scotland, Mr Ian Lang, said that government forestry policy sought 'to achieve a more balanced development of forestry than in the past'. An expansion of the tree cover would enhance the beauty of the landscape, provide a greater diversity of wildlife habitats, provide more opportunities for public recreation and provide a source of timber. Some 250,000 hectares of new woodland had been created in the 1980s, he said, two-thirds by the private sector.

Mr Lang also endorsed the Commission's plans for an internal reorganisation, so that it

[1] 1 hectare = 2·4711 acres.

could improve both its efficiency and its effectiveness of forestry management.

Community Woodlands

Also on 18 September, Mr Lang announced a new grant, Community Woodland Supplement, of £950 a hectare, to boost the creation of woodlands near towns and cities (see pp 106-7). This supplement will be available only within areas for which a strategic urban or community woodland plan has been agreed by the Commission. Where public access is agreed, it will be available for projects such as the Central Scotland Woodlands Initiative (see pp 62-3, 1989) and the 12 planned community forests of England.

In a speech on 24 September launching the Merseyside community forest, the Minister of State for Agriculture, Fisheries and Food, Baroness Trumpington, said that the involvement of local people was essential if such projects were to achieve their aims. 'This is', she commented, 'an opportunity for local people to influence the development of their area for the benefit of succeeding generations.'

The Merseyside community forest, covering some 7,500 hectares, will be partly based on existing mature woodlands, such as Delamere Forest.

Energy Developments

As a result of the fourth landward licensing round, 37 areas in England and Wales have been opened for onshore exploration for oil and gas.

The Government has stressed the importance of passive and active solar energy.

It has also summarised the progress of the Home Energy Efficiency Scheme and announced clean-coal research projects worth nearly £20 million.

An electrical interconnector is to be installed between Scotland and Northern Ireland. Britain's first independent combined cycle gas turbine power station to generate and sell power for public consumption has been opened.

Onshore Licensing

In the fourth landward licensing round, announced on 20 May, the Department of Energy received applications from 39 companies, or groups of companies, by the closing date, 20 June. Licences are granted under the Petroleum (Production) (Landward Areas) Regulations 1991. A licence is valid for six years and allows the licensee to search and drill for petroleum. It does not confer a right of entry into land, and permission from the owner or occupier is required. All exploration drilling for oil and gas requires planning permission. The consent of the Secretary of State for Energy is needed before a licensee may drill a well. Such consent depends on evidence that planning permission has been received. If oil and gas are discovered, the licensee may apply for an appraisal licence to conduct a full appraisal. A development licence will then be needed before a field can be brought into full production.

Announcing on 5 September that 37 areas had been opened up for exploration, Mr Colin Moynihan, Parliamentary Under-Secretary of State for Energy, said that eight of the new licences were primarily for the extraction of methane gas around coal seams. 'This is a new venture within Great Britain', he continued. 'Successful exploitation of such a resource could represent a valuable addition to future energy supplies.'

Renewable Sources of Energy

In a speech at the Milton Keynes Energy Park on 3 October, Mr Moynihan highlighted the advantages and savings that solar energy could bring. The Government was supporting a two-year assessment, costing £250,000, of photovoltaics for electricity generation, and had invested nearly £14 million in solar research and development. The adoption of passive solar measures, in the design of buildings, on a wide scale could save Britain 'as much as £100 million on fuel bills by the year 2025 and more than four times that amount by the end of the next century'. The use of solar power would also benefit the environment, leading to the reduction of carbon dioxide emissions by 2 million tonnes a year by 2025.

Energy consumption in housing, he continued, could be reduced by as much as 50 per cent, and substantial energy savings in offices, schools and factories could be made by integrating passive solar design with energy efficiency measures. Key messages from the solar research and development programme were being promoted as part of the Energy Efficiency Office's Best Practice programme (see p 354, 1990).

Energy Efficiency

In a speech in Durham on 10 September, Mr David Heathcoat-Amory, Parliamentary Under-Secretary of State for Energy, said that the Government's Home Energy Efficiency Scheme (see p 319, 1990) would complete 200,000 insulation jobs in low-income households during 1991-92. The £24 million allotted to the scheme would be fully used.

Mr Heathcoat-Amory drew attention to the government campaign which will explain the link between wasteful energy use and global warming (see p 200). It would involve a wide range of organisations, he said, including voluntary groups, local authorities and businesses.

Coal Research and Development

On 16 September, Mr Heathcoat-Amory announced five new projects, worth nearly £20 million, designed to promote the clean and efficient use of coal. In these projects the Government would collaborate with British Coal, British industry, other countries, including the European Community, and the International Energy Agency. The projects include underground gasification, the relation between greenhouse gases and fossil fuel use, nitrogen oxides, thermal efficiency of coal combustion, and coal ash deposition in pulverised fuel furnaces.

Over £500 million had been spent by the public sector in Britain on coal utilisation research and development over the past ten years, Mr Heathcoat-Amory said – nearly £1,000 million if all coal research and development work were included. The Department of Energy had just completed a major review of its own longer-term coal research needs. These projects demonstrated the importance that the Government attached to keeping coal as an essential energy source for the future. 'Over the next decade industry will need to become increasingly involved in research, development and demonstration activities to ensure that cleaner coal technologies are commercialised successfully.'

Electricity Supply Industry

Northern Ireland-Scotland Interconnector

Northern Ireland Electricity (see pp 155-7) and ScottishPower (see pp 279-81) have signed an agreement for the delivery of power to Northern Ireland through an interconnector. The estimated cost is about £170 million. It will involve laying a 60 km (39 mile) subsea cable, which is expected to be completed by 1996. The interconnector, rated at 250 megawatts (MW), would have the capacity to supply about 20 per cent of Northern Ireland's annual electricity demand.

Commenting on the announcement on 19 September, Mr Richard Needham, Parliamentary Under-Secretary of State for Northern Ireland, said that the agreement came quickly after 13 companies had indicated an interest in taking over the running of Northern Ireland's power stations. It would bring 'all of the benefits of being linked with the British and European grid systems. It will also open up the possibility of selling power at some stage to the British mainland.'

Combined Cycle Gas Turbine Power

Britain's first privately owned combined cycle gas turbine (CCGT – see p 291, 1990) power station, at Roosecote (Cumbria), was opened on 7 October. It has been converted from a former coal-fired station, has a generating capacity of 230 MW, and will produce 80 per cent more electricity than, and be twice as efficient as, the original station. Its entire electrical output will be fed into NORWEB's (see pp 27-8) 132 kilovolt distribution system, representing 7 per cent of customer needs.

Speaking at the opening, the Secretary of State for Energy, Mr John Wakeham, said that he knew of some two dozen independent generating projects planned for England and Wales. Of these, ten had received planning consent. If they went ahead, their combined capacity would total almost 6 gigawatts,[1] about 10 per cent of the total generating

[1] 1 gigawatt = 1,000 MW.

capacity of England and Wales at the end of 1990. 'This project', he said, 'represents the first realisation of our commitment to open the way for independent power projects to enter the electricity market, and to encourage increased competition.'

Shorter Notes

INVESTOR PROTECTION

The Government has indicated that it is time for the world's main regulators to take further steps to prevent any more financial fraud and malpractice. This view was expressed on 25 September by the Minister of State for Corporate Affairs at the Department of Trade and Industry, Mr John Redwood, at the annual conference of the International Organization of Securities Commissions.

Mr Redwood said that because of the rapid move towards a global financial market, regulators in different countries needed to alert each other to suspected irregularities as a matter of course. There should be vigorous separation of the financial regulator from those promoting particular financial businesses, so that regulators in other countries could be sure that privileged information would not be abused.

A new agreement between Britain and the United States to counteract international financial fraud was announced on 25 September. The new Memorandum of Understanding supercedes one signed in 1986. Its features are mutual assistance and greater powers of enforcement across a wider range of cases. It aims to deal with:

– possible violations of laws of disclosure;

– fraud or manipulation in dealing with securities;

– prohibited futures trading practices; and

– failure to report fairly and accurately to regulatory authorities.

Under the new agreement, national regulatory authorities will assist each other by:

– providing access to files;

– questioning people at the request of regulators of another country;

– obtaining information from suspected people; and

– inspecting investment and futures businesses, and allowing participation by outside regulators in such inspections.

The authorities look forward to greater co-operation in carrying out their respective obligations in order to ensure investor protection and maintain the integrity of essential financial markets.

Sources: Department of Trade and Industry news releases, 25.9.91.

TRAINING AND ENTERPRISE COUNCILS

Details of progress of the new Training and Enterprise Councils (TECs) are given in the first TEC report, covering 1990-91, published on 17 September. It covers the achievements of the 51 TECs that were operational during 1990-91 and the progress towards establishing further TECs up to March 1991. By the beginning of October 1991 all 82 TECs in England and Wales were operational. Individual TECs are also publishing their own annual reports.

The idea of TECs was contained in the White Paper *Employment for the 1990s* (see pp 429-33, 1988). TECs are independent companies run by boards of directors led by private sector business leaders. Their main objective is to help to provide Britain with 'the skilled and enterprising workforce it needs for sustained economic growth and prosperity'. TECs are managing a range of training, education and enterprise programmes on behalf of the Government. These include Youth Training and Employment Training. TECs spent some £459 million on government-funded programmes and initiatives in 1990-91. The operation of each TEC is governed by a contract with the Secretary of State for Employment.

In a foreword to the report, the Secretary of State for Employment, Mr Michael

Howard, notes the 'remarkable developments in what has been rightly termed a revolution in our training and enterprise system'. The formation of TECs 'has provided a focus for action for the private sector, and the response from the business sector and other members of the community has been magnificent'. All TECs have developed 'strategies to improve the effectiveness of local training, education and enterprise in their locality'. As TECs have developed, the Government has gradually widened their remit. For example, the White Paper *Education and Training for the 21st Century* (see pp 229-32) included greater responsibilities for TECs in education and training.

Source: *TEC Report 1990-91.* Available free from Department of Employment, Caxton House, Tothill Street, London SW1H 9NF.

SMALL BUSINESSES

The number of businesses registered for value added tax (VAT) in Britain rose in net terms in 1990 by an estimated 50,000 to 1,709,000 at the end of the year, an average increase of nearly 1,000 a week. This is a lower rate of growth than the record 1,600 weekly increase in 1989, but is still substantially higher than the average for the 1980s, which was estimated at 700 a week. The Government estimates that there were around 20,000 insolvencies in 1990. As the vast majority of registered businesses are small, these figures are a good guide to trends in the size of the small business population.

Between 1979 and 1990 there was a substantial rise in the number of VAT-registered businesses in every geographical region, ranging from 19 per cent in north-west England to 46 per cent in south-east England. Over the same period, net increases were recorded in all industries except retailing and agriculture.

Industries with the fastest growth rates were contract cleaning, personal services and entertainment, and other business services (where numbers increased by 116 per cent); finance, property and professional services (105 per cent); and construction (49 per cent). In each of the last two years the rise has been greater in finance, property and professional services than in other services.

A series of measures to help small firms was announced on 8 October by the Secretary of State for Employment, Mr Michael Howard. It includes:

1 A programme to deal with the difficulties encountered by small firms in arranging investment capital and to encourage the growth of informal investment from a wider range of sources. The Government is to support the co-operation of Training and Enterprise Councils (TECs – see p 378) with other organisations in bringing together investors and small firms. Projects are to be set up in Bedfordshire, Calderdale and Kirklees, Devon and Cornwall, East Lancashire, and South and East Cheshire.

2 The publication of information aimed at tackling the problem of late payment of bills by large companies to small firms. The information is to be distributed among Britain's top hundred companies, TECs, chambers of commerce and various other organisations. The Department of Employment will consider any cases concerning late payment by government departments or by the top hundred companies.

3 A conference, to be held in March 1992, to review the progress of the 'enterprise culture', involving participants from the public and private sectors.

4 A new annual award to be presented to the TEC with the most successful record in supporting small businesses.

5 A new study to assess and strengthen the role of TECs in economic development.

6 The publication of a comprehensive guide to the sources of venture capital and equity investment available for small firms.

7 Further work by TECs to find new sources of finance, counselling and support for small firms in their areas.

Sources: Department of Employment news releases, 10.9.91, 30.9.91 and 8.10.91.

CHANNEL TUNNEL RAIL LINK

The Government's preferred route for the proposed fast rail link from the Channel Tunnel will approach London from the east via Stratford, it was announced on 9 October. The line will terminate at King's Cross. The decision followed further studies into the route announced in June 1990 (see pp 249-50, 1990).

The Secretary of State for Transport, Mr Malcolm Rifkind, said that he was inviting British Rail to refine the route proposed by Ove Arup[1] for public consultation and so that it could be 'safeguarded' through the planning system. It was the Government's intention that the fast link should be taken forward by the private sector, although precise financial details would be decided by the Government at a later stage. The preferred route minimised the impact on the environment and residential property and maximised development potential in east London and the lower Thames area. The announcement removed blight in south London and west Kent. The route satisfied transport objectives and should bring economic benefit not just to the South East but to other regions as well, particularly Scotland and the north of England.

Source: Department of Transport news release, 9.10.91.

[1] For details of this and other proposals, see FCO fact sheet *The Channel Tunnel and its Services*, No 353/91.

LINK

A new £20 million LINK programme (see pp 333-4) designed to improve the performance of existing engineering materials used by manufacturers was announced on 17 September. The Enhanced Engineering Materials programme will support collaborative scientific research between industry and polytechnics into a wide range of engineering materials and manufacturing processes. Its main aim is to improve conventional materials, leading to their wider application and better processing capabilities in industry. The enhanced materials produced as a result of the programme are expected to be more readily adopted than new materials because manufacturers will be more familiar with their operation. The programme will also encourage adoption of these materials into codes of practice and standards.

Government funding for the programme will amount to £10 million, to be shared between the Department of Trade and Industry (£7 million) and the Science and Engineering Research Council (£3 million), and spread over five years. Private industry will also contribute £10 million. The Enhanced Engineering Materials programme is the thirtieth in the LINK series; there are now over 150 collaborative research projects being funded within these programmes.

Source: Department of Trade and Industry news release, 17.9.91.

Environmental, Social and Cultural Affairs

Environmental Policy

The Government has published an anniversary report on the commitments made in September 1990 in the environment White Paper *This Common Inheritance*. Launching the report on 25 September, the Secretary of State for the Environment, Mr Michael Heseltine, described it as an important step in taking Britain's environmental strategy forward into the twenty-first century. It records over 400 separate measures taken in the previous 12 months, and promises more than 400 additional steps in the following year.

Progress on Commitments

The report[1] describes progress on the implementation of the commitments made in the White Paper (see pp 358-61, 1990). Prominent among the achievements are:

– new schemes to protect English landscapes and cathedrals (see pp 203-4 and 284-5), together worth £24 million over the period to 1993-94;

– agreements in the European Community to stronger new car and lorry emission standards, to the earlier banning of chlorofluorocarbons (see pp 36-7) and to controls over nitrate pollution of water;

– a £5 million scheme to help increase environmental skills in Eastern Europe (see p 268);

– the City Challenge scheme (see pp 320-1), worth £82 million a year;

– the creation of new nature conservation bodies under the Environmental Protection Act 1990 (see pp 81-4 and 394-5, 1990), with £66 million in government support;

– the introduction of integrated pollution control, also under the Environmental Protection Act;

– new planning controls under the Planning and Compensation Act 1991 (see pp 162-4); and

– international agreement on new protection for Antarctica.

Additional Commitments

The report contains further commitments to improve the integration of environmental considerations into the work of government as a whole. These include:

– an environmental expert on all relevant public bodies and groups;

– strategies in every government department for environmental management of buildings and land, to be introduced by the end of 1992;

– regular reporting on environmental performance; and

– the development of thorough environmental appraisal of policies and programmes across government.

Government View

Commenting on the publication of the report, Mr Heseltine said that it showed how the Government had honoured the promises it had made in the White Paper: 'there has been no shirking of the commitments or disguising areas where progress has been slower than we had hoped'. All of the White Paper

[1] *This Common Inheritance; The First Year Report.* Cm 1655. HMSO, £21. ISBN 0 10 116552 8. Short summary version available free from the Department of the Environment, Room A302, Romney House, 43 Marsham Street, London SW1P 3DY.

commitments had been accounted for in the report, and the departments taking forward each commitment were identified. The report showed where people could write if they wished to take matters further, part of the openness central to the Citizen's Charter (see pp 293-300).

The Secretary of State said that the report reasserted the principles on which the Government would continue to act, and showed how these principles were being carried through into policy. In the previous 12 months the Government had introduced some 50 new environmental protection measures and produced over 60 new environmental publications and items of guidance. The report was the first of a regular series. The environment was not a short-term issue but one that required detailed and long-term work. 'The report sets clear targets for the work ahead and demonstrates the Government's commitment', he concluded.

Prison Service Reform

The Government has set out a programme of reforms for the prison service in England and Wales in a White Paper published on 16 September, which focuses on three key areas of custody, care and justice.

The White Paper[1] confirms the Government's acceptance of the central propositions in the Woolf Report on the 1990 prison disturbances (see pp 118-22) – that security and control must be kept in balance with justice and humanity and that each must be set at the right level. The aim is to provide a better prison system, with more effective measures for security and control, more constructive relationships between prisoners and staff and more stimulating and useful programmes for prisoners.

The Government has decided to establish a Criminal Justice Consultative Council, as soon as possible, to promote better understanding, co-operation and co-ordination in the criminal justice system. It agrees in principle that area committees should be set up to improve local co-ordination.

Role of the Prison Service

The White Paper considers that the prison service in the coming years will have to provide for a population serving longer sentences for more serious crimes, together with a substantial proportion of prisoners on remand. Accordingly, this places three obligations on the prison service, which are:

– to implement the court's decision by keeping the prisoner in custody;

– to provide a positive regime to help the prisoner make best use of the time in prison; and

– to prepare the prisoner for release.

The Government proposes that the prison service should:

– improve necessary security measures;

– improve co-operation with other services and institutions;

– increase delegation of responsibility and accountability to all levels, with clear leadership and a published annual statement of objectives;

– improve the quality of jobs for staff;

– recognise the status and particular requirements of unconvicted prisoners awaiting trial;

– provide a code of standards for prison conditions and activities;

– improve relationships with prisoners, including a statement of facilities, consultations, and an independent appeal body;

– provide access to sanitation at all times;

– end overcrowding;

– divide large wings in prisons into smaller units wherever possible; and

– develop community prisons.

Security, Control and Incident Management

Recognising the need to prevent escapes and maintain control, the White Paper proposes to introduce the following:

– a new offence of prison mutiny;

[1] *Custody, Care and Justice: The Way Ahead for the Prison Service in England and Wales.* Home Office. Cm 1647. HMSO, £11·20. ISBN 0 10 116472 6.

– an increased maximum penalty of ten years' imprisonment for aiding and abetting a prison escape;

– annual security audits;

– a review of the scope for providing defendable barriers in prisons;

– X-ray search machines in all establishments holding Category A prisoners;[1]

– electric locks on gates protecting access to living units and other areas, subject to a trial project;

– regular exercises to test contingency plans based on a new contingency planning manual;

– incident co-ordinators on call to assist at a major disturbance;

– improved stress counselling for prison staff;

– improved liaison with police and emergency services; and

– extended training for members of Boards of Visitors.[2]

Structure of the Prison Service

The prison service, says the White Paper, should remain fully accountable to ministers and should provide full information to the public. Its structure should ensure the most effective use of resources and allow for alternative ways of providing services.

The Government proposes that:

– an annual statement of the objectives and resources of the service (a 'compact' between ministers and the Director General of the prison service) should be published;

– the Director General should explain in public the service's performance;

– the headquarters of the service should have an enabling role with further delegation of budgetary and personnel responsibilities to prison governors;

– Wolds remand prison on Humberside should be established under the management of a private sector contractor; and

– the escorting of prisoners should be contracted out to private sector providers.

The Prison Service's Staff

The White Paper notes that there is scope for improvement in the prison service's personnel policies and in the management of staff. Such matters will be addressed in a review of the management of the service announced by the Home Secretary, Mr Kenneth Baker, in August 1991. To enhance the nature and range of the work of prison officers and to improve the jobs of all the prison service's staff, the Government proposes:

– more recruitment from among the ethnic minorities;

– a review of the accelerated promotion procedure;

– measures to improve job satisfaction and the quality of personnel management;

– the identification of jobs which can be undertaken by staff other than prison officers;

– the consideration of the position of staff working in prisons who were not included in the initial 'Fresh Start' arrangements (see p 411, 1988);

– the introduction of a new staff handbook on the treatment and care of prisoners;

– the phased introduction of a statement for staff in prisons of the facilities for, and the standards expected of, them;

– a new Prison Officer Development Scheme to provide improved promotion and career prospects;

– secondments into and out of the prison service; and

– a full training strategy.

Management of the Prison Population

The White Paper considers that overcrowding of inmates should be avoided and that prisoners should be located in prisons suitable to their status and security category as near to their homes as possible.

For particular groups of prisoners these priorities will be influenced by the following considerations:

– in locating young offenders and remand prisoners, preference should be given to

[1] Category A represents the highest level of security in prisons.

[2] Each prison has appointed to it a Board of Visitors, who are unpaid volunteers drawn from the local community and who act as independent observers on behalf of the Home Secretary, to whom they submit an annual report.

avoiding overcrowding above the need to hold them separately; and

– women prisoners should be located as near to their homes as possible: where the location of female prison establishments is particularly poor, it may be necessary to accommodate women in separate and secure parts of establishments shared with male prisoners.

In the longer term the aim should be to provide groups or clusters of prisons catering for most prisoners in the locality, with separate establishments for women, remand prisoners, young offenders and adult men. Also, larger prisons should be adapted so that they can hold different categories of prisoner in small units.

The White Paper recognises that the concept of community prisons will take many years to complete. As a first step, the prison service should identify local prisons which might be re-planned as multi-functional community prisons, and consider whether some existing prisons could be more directly linked to a local prison.

Vulnerable and Sex Offenders

The White Paper notes that the prison service intends to allocate selected male sex offenders to one of up to 20 prisons.[1] The Government will replace the current rules, which provide for the segregation of both vulnerable and disruptive prisoners, with separate, more appropriate rules.

Standards in Prisons

The White Paper says that prisons should aim to provide decent but not lavish conditions. They should sustain prisoners but not degrade them. The Government proposes to:

– provide access to sanitation at all times for all prisoners by December 1994;

– work towards the elimination of overcrowded prison accommodation;

– provide a code of standards for the provision of accommodation, basic necessities and facilities, towards which prison establishments should work as resources allow;

– provide a better health service for all prisoners; and

– move progressively towards allowing convicted male prisoners to wear their own clothes if they so wish (female and unconvicted prisoners do not have to wear prison issue clothing).

Programmes for Prisoners

The White Paper proposes:

– a review of prison reception and induction arrangements;

– guidance on regimes for women prisoners;

– a model structure for local prisons and remand centres;

– national standards for probation service supervision in prison and on release; and

– sentence plans to be provided progressively for all prisoners serving substantial sentences.

The Government believes that prisoners should be involved in the management of their time. It considers that the personal officer scheme – whereby a prison officer is appointed as the personal officer for a number of prisoners and acts as the first point of contact – should be extended to a wider range of prisoners.

There should be increased consultation on general issues with prisoners who should, where possible, be given reasons for decisions which affect them. In addition, 'prisoner compacts' – statements for prisoners of what is available for them and what is expected of them in return – should be introduced, initially on a pilot basis, in selected prisons.

Programmes, Pay and Family Links

The Government wants to provide as full a programme of activities and opportunities for prisoners as the available resources will allow. Programmes should incorporate work and provide access to education and training as well as visits. The Government proposes to:

– consider the introduction of pilot schemes to increase the involvement of private sector employers in prison industry;

– develop further opportunities for obtaining recognised vocational qualifications;

– increase pay levels for prisoners when resources allow;

[1] On 7 June the Home Secretary announced that sex offenders should in future be held in fewer prisons, making it easier to achieve a consistent approach to running new co-ordinated treatment programmes.

– provide a new statement of the facilities normally allowed to prisoners and undertake monitored experiments for the use of television in cells;

– consider the scope for increasing home leave and the length and informality of prison visits; and

– improve visiting facilities as part of prison refurbishment programmes.

Particular Requirements

As the prison service is likely in future to be holding a larger proportion of prisoners who have committed serious offences involving violence or sexual deviance, it intends to develop particular programmes and facilities to help sex offenders, drug and alcohol misusers and violent offenders.

The service will also continue programmes providing for prisoners with special health care needs, relating in particular to HIV/AIDS, mental disorder and physical illness, and the prevention of suicide.

Complaints and Discipline

The White Paper recognises that rules and procedures must command the confidence of everyone in the prison. To that end the Government proposes that:

– prison governors should in future conduct all disciplinary cases within their current powers;

– serious criminal offences committed in prison should be prosecuted through the courts;

– prisoners should be able to appeal to the area manager against the disciplinary decisions of the governor; and

– there should be an appeal system to an independent body against decisions arising from the disciplinary and complaints procedures (the establishment of this body would be likely to require primary legislation).

Boards of Visitors will no longer exercise an adjudicatory function. This should allow them to strengthen their central role as watchdogs of the prison system. The prison service intends to enhance the training offered to members of Boards of Visitors and to examine ways of providing better administrative and other support to Boards. In addition, the Government will encourage wider membership of Boards.

Links within the Criminal Justice System

Probation Service

The White Paper recognises that the prison service can provide a fully effective service only if it maintains close links with other parts of the criminal justice system, particularly the probation service. It proposes to issue new guidance on the role of probation officers in prisons and to introduce management contracts between the governor of each establishment and the relevant chief probation officer.

The involvement of probation officers working in prisons in the preparation of sentence plans for prisoners will be encouraged. In addition, opportunities for joint training involving prison and probation staff will be introduced as resources allow.

Bail Schemes

Bail information schemes help to ensure that the Crown Prosecution Service has the information on which to base recommendations about remands and that the courts can make an informed decision about granting bail. The Government proposes to extend bail information schemes to all probation areas and to all local and remand prisons as resources allow.

The provision of bail accommodation in the independent sector for those persons who do not require close supervision will be improved. The Government will also promote the development of specialist bail accommodation and supervision for those who appear mentally disturbed or who have problems with drug or alcohol misuse.

Mentally Disordered Offenders

The White Paper acknowledges that prison is not a suitable place for people suffering from serious mental disturbance. The Government has taken action to divert such offenders from custody, and will consider what further steps may be necessary in the light of the findings and recommendations of a joint Department of Health/Home Office review set up at the end of 1990.

Information to the Courts

The Government proposes to publish annually information to enable courts and other administrators of criminal justice to be aware

of the financial implications of their decisions, and to help them carry out their duty not to discriminate on grounds of race or sex, in accordance with the Criminal Justice Act 1991 (see p 293). Information about local sentencing patterns will be made available to the courts. Also, individual courts will be given information about prisons in their catchment areas.

Parents' Charters

Following publication by the Government of the Citizen's Charter in July, parents' charters have been launched in England and Scotland outlining how parents are to be provided with the information needed to make more informed choices about their children's education.

The proposals contained in the Citizen's Charter are designed to raise quality, increase choice, secure better value and extend accountability in public services (see pp 293-300).

PARENT'S CHARTER FOR ENGLAND

At the launch of the Parent's Charter[1] for England on 27 September, the Secretary of State for Education and Science, Mr Kenneth Clarke, said: 'For too long education has not been open enough to the ordinary person .... Lack of accountability and ... information has left parents ill-equipped to make real, informed choices about their children's education. I intend to take the mystery out of education by providing the real choice which flows from comparative tables setting out the performance of local schools and independent inspection reports on the strengths and weaknesses of each school.'

[1] *The Parent's Charter: You and Your Child's Education.* Department of Education and Science. Available free from DES Publications Despatch Centre, Canons Park, Honeypot Lane, Stanmore, Middlesex HA7 1AZ.

School Inspection

Central to the inspection process in England would be the role of Her Majesty's Inspectors (HMI), who at present report to the Government on the quality of education in schools. The Government intends to make HMI more powerful and independent of government by introducing legislation to establish a new organisation headed by Her Majesty's Chief Inspector of Schools. This would regulate the standards of independent inspection teams, which would be chosen by school governors to inspect their schools and to report to parents. Some HMI staff would be recruited from outside the education sector in order to bring a wider perspective to inspection. Schools would be allocated sufficient funding to arrange for the inspection of their own school, and governors would be responsible for acting on its results.

The new HMI would be charged with controlling the quality of school inspection. Inspectors would have to be trained and HMI would monitor the standards of that training. HMI would maintain a register of people allowed to lead inspection teams and would set standards of inspection. Those on the register would themselves be inspected by HMI and would need to meet agreed standards.

HMI would continue to advise the Government on the quality of the education service and would retain the power to inspect schools. However, their main evidence would be taken from the proposed programme of inspections of some 6,000 schools a year. The Government would require a full-scale inspection by HMI-approved inspectors of all schools at least every four years. HMI would draw the evidence together to inform national policies.

The Charter goes on to say that school inspections should lead to straightforward reports which would help schools to improve their performance. The reports would also give parents a broad picture of their school's strengths and weaknesses.

Information for Parents

Under the Parent's Charter proposals, parents would automatically receive five key documents:

– an annual written report on their child's progress;

– performance tables providing comprehensive information on all state and private schools in the area;

– a summary of a recent inspection report on the performance of their child's school;

– an action plan from school governors on how to tackle problems identified in the inspectors' report; and

– an annual report from the governors, prepared for discussion at their yearly meeting with parents. This document would contain information about examination and National Curriculum test results for the school, truancy, school-leavers' destinations, the school budget and procedures for electing parent governors.

PARENTS' CHARTER FOR SCOTLAND

In Scotland a new audit unit would be set up within HMI under proposals set out in a separate Parents' Charter.[1] The new unit would collect, analyse and publish evidence about how well schools and education authorities were performing. Reports of school inspections would be sent to parents, who would be consulted by the inspectors so that parental interests were fully taken into account.

Parents would also be provided with pupil progress reports as well as comparative information on examination results, attendance and truancy levels, pupil destinations and school educational objectives and costs. School boards (see pp 114-15, 1989) would be given more influence over resources allocated to schools, and education authorities would be required to review their complaints procedures.

[1] *Parents' Charter in Scotland.* The Scottish Office. Available free from the Scottish Office Education Department, New St Andrew's House, Edinburgh EH1 3SY.

Shorter Notes

NATIONAL PARKS

The Government has decided to create independent authorities for the eight National Parks that do not at present have them, it was announced on 20 September. The second joint annual report on National Parks has also been published.

There are ten National Parks in England and Wales. Two of these, the Peak District and the Lake District, were established from the beginning as independent authorities. The remaining eight (Brecon Beacons, Dartmoor, Exmoor, Northumberland, North York Moors, Pembrokeshire Coast, Snowdonia and Yorkshire Dales) have been run as county council committees. The National Parks are partly funded by local authorities and partly by the Government (see p 46). In December 1989 the Countryside Commission, which at that time was responsible both for England and for Wales, set up an independent review of the administrative arrangements for National Parks. One of the main recommendations was the establishment of independent authorities for all the Parks.

The announcement accepting this recommendation in principle was made jointly by Mr David Trippier, Minister of State at the Department of the Environment, and the Minister of State for Wales, Sir Wyn Roberts. Sir Wyn, speaking to the National Parks Conference in Brecon (Powys), said that the proposal was supported strongly by the Countryside Commission and the Countryside Council for Wales, which has taken over the Commission's responsibilities in Wales. It represented the best way to provide National Park services in future. The Government's positive response provided further evidence of its commitment to the effective management of the National Parks. He said that the Government would make sure that local people were properly represented on the new authorities.

The second joint annual report of the National Parks[1] was published by the Countryside Commission and the Country-

[1] *National Parks in Focus 1990-91.* Available from Countryside Commission Publications, Printworks Lane, Levenshulme, Manchester M19 3JP. £5. ISBN 0 86170 314 6.

side Council for Wales on 19 September to mark the start of the National Parks Conference. Among the highlights of the year it identified were:

– the abandonment of a plan to build a radar complex on the Pembrokeshire Coast;

– the start of work in Dartmoor to move an extensive overhead cable network underground;

– rich archaeological finds in Snowdonia; and

– the purchase of Greenlee Lough, a Site of Special Scientific Interest, by the Northumberland National Park.

The report also stressed growing links between the National Parks and their counterparts in Europe.

Sources: Department of the Environment news release, 20.9.91; Welsh Office news release, 20.9.91; Countryside Commission news release, 19.9.91.

GENERAL HOUSEHOLD SURVEY

Detailed results of the 1989 General Household Survey, as well as preliminary results for 1990,[1] were published during September. The survey is an important source of background information for central government decisions on resource allocation.

The General Household Survey is a continuous survey which has been running since 1971. It is based each year on a sample of the general population resident in private households in Great Britain. The 1989 survey covers the period from April 1989 to March 1990 and is based on interviews obtained from about 20,000 adults in some 10,000 households.

The 1989 report updates information on population characteristics, households and families, marriage and cohabitation, fertility, employment, health and housing. It also has information on occupational pension schemes, contraception and accidents. New or expanded sections are included on ethnic group, employment and young adults, marital and cohabiting unions, and the composition of local authority and housing association sectors.

Source: Office of Population Censuses and Surveys news release, 26.9.91.

[1] *General Household Survey 1989.* Office of Population Censuses and Surveys. HMSO, £18·50. ISBN 0 11 691356 8. *General Household Survey: Preliminary Results for 1990.* OPCS Monitor SS 91/1. Available from OPCS, St Catherine's House, 10 Kingsway, London WC2B 6JP. £2.

EDUCATIONAL TIES WITH JAPAN

On 24 September, St Catherine's College Kobe Institute was formally opened in Kobe, Japan. The Institute's board of trustees has a strong representation from St Catherine's College, Oxford University. Endowed with £9 million from a Japanese foundation, the British-designed Institute offers a one-year foundation course in European Studies for up to 40 Japanese graduates. The Institute will also provide opportunities for British graduates to learn about the economics, politics and social structure of Japan.

Crown Prince Naruhito of Japan launched a new £3·2 million building to house the Nissan Institute of Japanese Studies at Oxford University on 18 September. The Institute provides teaching and research facilities relating to modern Japan at undergraduate and postgraduate levels for several different degree subjects in the University.

Sources: Oxford University news releases, 18.9.91 and 24.9.91.

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Ministry of Defence, Main Building, Whitehall, London SW1A 2HB.

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Office of the Minister for the Civil Service, Government Offices, Horse Guards Road, London SW1 3AL.

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